

# North Dakota Statewide Information Technology Plan 2000 - Agency Plan Summaries

## 471.0 Bank of North Dakota

IT Plan Version: B 1

### Goals and Objectives

<b>Goal: 1</b>	Continue to develop and enhance student loan programs to meet the needs of student loan borrowers.		
	<b>Objectives</b>	<b>Timeframe</b>	<b>Accomplishments/Status</b>
1	Create a new browser based guarantor and lender system, eliminating duplication, providing new services, and efficiencies in existing processes	Ongoing	
2	Offer Student Loan borrowers 'instant guarantee', encouraging them to do business with SLND rather than other student loan lenders and guarantor agencies.	99-01	
3	Continue to maintain the current SLND systems, including regulatory enhancements until all processes have been replaced with new technology.	99-01	
<b>Goal: 2</b>	Enhance customer service and meet customer needs. Provide first class customer service.		
	<b>Objectives</b>	<b>Timeframe</b>	<b>Accomplishments/Status</b>
1	Create the ability to deliver new efficient, cost effective products and services rapidly. Introduce new development tools and methods to create and enhance systems with less time to market.	Ongoing	
2	Complete maintenance and enhancements according to approved annual IT plans.	Ongoing	
<b>Goal: 3</b>	Ensure technology evolves and supports core business strategies and customer requirements.		
	<b>Objectives</b>	<b>Timeframe</b>	<b>Accomplishments/Status</b>
1	Introduce new tools and platforms according to specific business need.	99-01	
2	Perform periodic security review to ensure that BND's applications and information reside within a secure environment as technology changes.	99-01	
3	Replace legacy systems that cannot support business strategies and customer requirements, are inefficient or are no longer cost effective. Browser enable new systems to compliment e-business strategies.	Ongoing	
4	Create dynamic e-business capability for all BND loans.	99-01	

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
1	E-Business	2	New Initiative	01/2000	06/2003			
Large	BND's E-Business Initiative is comprised of two projects in the previous plan, namely, e-ommerce and student loan lender and guarantor systems integration. Both projects are needed to effectively deploy SLND e-business. The legacy systems will not effectively support customer service needs in the future. Core business processes will be put on line thereby connecting critical business systems to critical constituencies via the world wide web, intranet, e-mail and fax. The Banks existing static web site will become a dynamic site allowing customers to check the status of their accounts as well as perform transaction processing. The project involves building a base infrastructure of transactions, services and development tools for delivery of				IT PLAN ESTIMATED COST	\$2,378,704	\$3,411,824	\$581,824
					BASE BUDGET REQUEST		\$3,411,824	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	

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Activity Continued...

1	E-Business	2	New Initiative	01/2000	06/2003				
<p>internet based banking servies. The project will include a study of security. The results will include a detailed report of security and privacy exposures and proposed corrections. The intent is to ensure that measures in place to protect BND’s information are effective. The initiative will be divided into multiple projects. Web enabled transaction processing for all BND loan systems will be implemented in separate phases, each with its own business case and plan.</p> <p><b>Justification:</b></p> <p>A business case for the first five projects of the initiative has been has been submitted to ITD. The deliverables from the first of these five projects will determine final costs for the remaining four projects and for the cost of the replacement of SLND loan systems. SLND systems are outdated and difficult to maintain. Currently, there is significant duplication of effort in maintainance of the existing systems.</p> <p><b>Impact on other activities:</b></p>									
Activity	Priority	Activity Type	Start Date	End Date		99-01	01-03	03-05	
2	Lending E-bus	4	New Initiative	07/2001	06/2003				
<p>Allow Correspondent banks to be able to access the loans they have sold to us. They should be able to inquire on their principal and interest balance, interest rate, and history of payments and rate charges. In addition, they should be able to post a payment on their loans which would eliminate them having to call us and have us post the payment on our system.</p>						IT PLAN ESTIMATED COST	\$0	\$150,000	\$90,000
						BASE BUDGET REQUEST		\$150,000	
						OPTIONAL BUDGET REQUEST		\$0	
						BUDGET NONAPPROPRIATED		\$0	
<p>Allow direct Farm Real Estate Customers to access their loans(s) and obtain the same information they will have access to on the IVR. They should also be able to inquire on their payment history.</p>									
<p>Allow residential real estate customers to access their loans and obtain the same information they will have access to via Interactive Voice Response. They also need to the ability to inquire on their payment history.</p>									
<p>An amortization schedule calculator will be available for customers to run amortization schedules.</p>									
<p><b>Justification:</b></p> <p>Proivde new information and service channels to customers.</p> <p><b>Impact on other activities:</b></p>									

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
3    Core Banking	10	New Initiative	07/2003	07/2005				
Large Replacement of Core Banking Systems. This is an evaluation of cost and performance of existing systems versus replacement technology. Systems included are general ledger, commercial loans, real estate loans and deposit systems.					IT PLAN ESTIMATED COST	\$0	\$0	\$1,105,000
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification: Project start up is dependent on an acceptable cost benefit.								
Impact on other activities:								
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
4    WireNext Upgrade	7	Enhancement/Upgrade	07/2003	12/2003				
The current release will be replaced. Internet wire transfers via PayPlus will also be available.					IT PLAN ESTIMATED COST	\$0	\$0	\$127,500
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification: Keep application current for purposes of customer service and vendor application support.								
Impact on other activities:								

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
5 Remittance	6	New Initiative	07/2001	01/2003				
Large	Remittance Processing. 01-03 This project will provide the ability to operate as a lock box processor. This is a value added service to customers by providing mail opening, payment processing, deposit generation, and payment file distribution to customers to facilitate posting to their accounts receivable systems.				IT PLAN ESTIMATED COST	\$0	\$956,000	\$2,351,560
					BASE BUDGET REQUEST		\$956,000	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
03-05								
Image Statements. Ability to provide copies of checks paid to customers instead of returning items. This speeds the statement preparation time by eliminating the need to find sort checks, count checks/inserts, and reconcile activity to statements. In addition, mailing costs are decreased due to the fact that multiple copies of checks appear on a sheet of paper reducing the weight of the mailings and thus postage costs.								
Microfilm replacement/3890 backup. Will provide less down time, better customer service, decreased loss in float, and capabilities to process simultaneous cash letter allowing for increased processing capacity. In addition, the quality of copies and research speed will greatly improve efficiency and customer service.								
Image Delivery. Enables either the delivery of images via mail or by allowing customers to access the image database. By allowing direct access, some legal responsibilities can be passed to the customer by enabling the customer to decide a pay/no pay decision on a check.								
Justification:								
A detailed cost-benefit analysis will be provided prior to implementation. Other Considerations. While the above systems serve to maintain and enhance the processes and functions of the Operations Department to fulfill our mission "to deliver the highest quality financial deposit and payment services to customers of BND" there are some other considerations for these systems. 1) Customer Maintenance. Financial institutions are providing imaging services to their customers. In order to remain competitive, these services will need to be provided. Customers may want to move their accounts to other financial institutions that provide these services. 2)Savings to North Dakota. The implementation of one system at Bank of North Dakota would reduce the proliferation of banking hardware and software being installed at other state agencies. This should serve to decrease the overall costs of ;processing for North Dakota. In addition, by BND providing this service, North Dakota can benefit from the more rapid collection of checks than if this hardare and software is installed at agency sites who still have to then transport their checks to BND for processing 3) System Availability. By having a system available, solutions can be offered more rapidly to customers. Customers are hesitant to build solutions around "vapor-ware". Services are more easilly sold if they can be demonstated rather than explaining how they should work.								

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**Activity** Continued...

**5 Remittance** 6 New Initiative 07/2001 01/2003

**Impact on other activities:**

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
6 Banking Systems	1	Maintenance/Base	Ongoing				
The Bank's mainframe systems process deposits, loans, fed funds, trust, ACH, and general ledger.				IT PLAN ESTIMATED COST	\$6,037,176	\$6,021,000	\$4,005,000
Client server systems process investments, safekeeping, fed wire, cash management , document storage and administrative and support packages.				BASE BUDGET REQUEST		\$6,021,000	
				OPTIONAL BUDGET REQUEST		\$0	
				BUDGET NONAPPROPRIATED		\$0	

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
7	Cash Management	9	Enhancement/Upgrade	07/2003	06/2004			
Large	Web access module for the Cash Management System. Dial-up access is now available. Add Internet capabilities to cusotmers options for accessing information.				IT PLAN ESTIMATED COST	\$0	\$0	\$285,000
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	

**Justification:**

Provide services on via multiple channels.

**Impact on other activities:**

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
8 IPS Replacement	5	Enhancement/Upgrade	12/2001	12/2002				
Replacement of the the IPS system, including buying and selling of security transactions, safekeeping and bond accounting.					IT PLAN ESTIMATED COST	\$0	\$150,000	\$60,000
					BASE BUDGET REQUEST		\$150,000	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	

**Justification:**

The current system is DOS based and may not be upgraded by the vendor.

**Impact on other activities:**

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>9 Funds Transfer</b>	8	Enhancement/Upgrade	01/2004	06/2004			
Link the wire transfer (WireNext) to the Cash Management system to enable through processing of customer wire requests.					<b>IT PLAN ESTIMATED COST</b>	\$0	\$50,000
					<b>BASE BUDGET REQUEST</b>	\$0	
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	
					<b>BUDGET NONAPPROPRIATED</b>	\$0	
<b>Justification:</b>							
Reduce manual processes.							
<b>Impact on other activities:</b>							
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>10 IVR</b>	3	New Initiative	01/2000	12/2000			
Provide Interactive voice response capabilities to the Bank's loan customers					<b>IT PLAN ESTIMATED COST</b>	\$228,104	\$20,000
					<b>BASE BUDGET REQUEST</b>	\$20,000	
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	
					<b>BUDGET NONAPPROPRIATED</b>	\$0	
<b>Justification:</b>							
Improve customer service, automate access to information.							
<b>Impact on other activities:</b>							
<b>Total Agency</b>					<b>IT PLAN ESTIMATED COST</b>	\$8,643,984	\$8,675,884
					<b>BASE BUDGET REQUEST</b>	\$10,708,824	
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	
					<b>BUDGET NONAPPROPRIATED</b>	\$0	